Springfield Township High School

**Graduation Project Annotated Bibliography**

**Student Name:**

**Annotation # 11**

**MLA Citation:**

OToole, Randal. "A Desire Named Streetcar: How Federal Subsidies Encourage Wasteful Local Transit Systems." The Cato Institute. January 5, 2006. 10 Mar 2011 <http://www.cato.org/pub\_display.php?pub\_id=5345>

**INFORMATION:**

Author’s credentials:

“Randal O’Toole is director of the Thoreau Institute and an adjunct scholar at the Cato Institute.” (O’Toole 1). O’Toole is writing in *Policy Analysis*, a “regular series evaluating governmental polices and offering proposals for reform.” (O’Toole 16)

Scope and purpose of the work:

This article is an informational overview and persuasive essay regarding American local transit systems. O’Toole argues for American policy regarding local transit systems to change, following a lengthy discussion of necessary background information.

Intended Audience:

The intended audience of this article is experts in the field of local transit systems. The article is intended to suggest improvements and be critical of current industry standards. O’Toole touches on several ideas that the average lay person would be unfamiliar with. The article also looks at the historical aspect of local transit systems in America, so some history knowledge is required to read the article.

**SUMMARY**

Thesis or main idea:

“The ideal solution would be to devolve transit and other transportation funding entirely to state and local governments. Short of that, Congress should reform the federal transportation funding system to minimize the adverse incentives it creates.” (O’Toole, 1)

Summary of main arguments:

O’Toole argues several main points. First he feels that special interest groups and trade unions have too much influence on how local transit systems spend their money. He also argues against federal subsidies for local transit, as he says encourage the wasteful spending on overblown projects. Finally, her argues that there are better ways to transport people than rail systems.

**EVIDENCE**

Summary of evidence:

* “Since mass transit agencies depend on taxpayers rather than users for most of their revenue, they focus on highly visible and expensive services such as light-rail transit to suburban areas.” (O’Toole, 2)
  + to generate user fees transit agencies “raise fares/cut back on services to inner-city areas” (O’Toole 2)
  + this is hurtful towards families who depend on transit
* History of American Transit
  + 1868—First New York cable car
  + 1870—First New York subway
  + “By 1910, almost every American city with more than 10,000 people had one or more streetcar lines, nearly all of which were built with private funds.” (O’Toole 2)
  + 1907—9.5 billion trips
  + 1926—17.3 billion trips
  + When cars were invented it became a lot easier to run bus routes rather than reinvest in repairing trolley wires
  + WWII—23.5 billion trips
  + Post WWII—1965—8.3 million trips
  + Urban Mass Transportation Act—1964
    - “promised federal capital grants to state and local public transit agencies.” (O’Toole 3)
    - Only worked following the 1970’s gas crisis
    - “ridership increases when gasoline prices are up or the economy booms, and ridership stagnates or falls when gasoline prices fall or the economy is in recession.” (O’Toole 4)
* What states should have done during the gas crisis
  + “included frequent bus service with limit stops in major corridors…express service from individual suburban centers to major job centers, and door-to-door demand-responsive services to low-density areas.” (O’Toole 5)
* What states did
  + “passed laws forbidding private operators to compete with government transit monopolies.” (O’Toole 5)
* Plans for the future—Rail/Bus?
  + “it can cost 50 times as much to build a rail line as to start bus service with comparable frequencies and schedules” (O’Toole 5)
  + “buses cost less to operate and can sometimes run on faster schedules than rail transit” (O’Toole 5)
  + Los Angeles—built rail systems that cost to much, led to increased bus fares, which led to a “17 percent loss in ridership” (O’Toole 6)
  + “There are very few outstanding successes when it comes to urban rail systems. Building a rail line may lead to more train riders, but if the transit system loses bus riders there may be little net gain or an actual net loss in overall transit system riders.” (O’Toole 6)
  + Stats on page 6 about good things bus service leads too
    - “Ironically, almost all of the urban areas listed above are now planning or building rail lines that, if history is any guide, will likely stunt the growth of transit ridership in those regions” (O’Toole 7)
* Problems with Rail Transit

1. Cost to much
2. Puts agencies in debt, so when recessions happens they must cut services
3. Rail lines must be rebuilt every 30 years—can cost more than original costs

* Problems in Europe
  + European countries tried to tax people away from driving cars
  + “Between 1980 and 2000, the automobile’s share of European passenger travel increased from 76 to 78 percent while intercity rail and transit’s share declined from 21 to 16 percent.” (O’Toole 7)
  + “says one member of the European Parliament, ‘the current European transport policy steers towards a prohibitively expensive and inefficient utopian ideal.’” (O’Toole 7)
* Rail gets more funding because it has a larger impact on unions
  + “gets the support of construction companies, construction unions, banks and bond dealers, railcar manufacturers, electric power companies, downtown property owners, and other real estate interests.” (O’Toole 7-8)
* Why Federal funding is bad
  + “approval procedures that allow labor unions to prevent innovative transit solutions” (O’Toole 8)
  + “a requirement that most or all federal funds be used for capital projects.” (O’Toole 8)
  + Full list on page 8
* Problems with DOT
  + Organized by system rather than function
    - “When the first secretary took office in January 1967, however, he could have aided such coordination by structuring the department according to transportation functions such as urban transport, interstate freight transport, and interstate passenger transport. Instead, he organized it according to transportation systems, such as mass transit, highways, air, rail, and water way transport.” (O’Toole 9)
  + When you give a transit agency money they go and buy the biggest thing
    - Big busses run empty
    - Transit agencies spend a lot less on buses than they do for systems like light-rail
      * “$3-$4 of federal subsidies for every dollar they spend on bus capital purchases” (O’Toole 10)
      * Light-rail: “$3 to $4 on light-rail capital projects for every dollar they spend operating light rail” (O’Toole 10)

**EVALUATION**

Evaluation of research:

This article is clearly well researched. O’Toole has a complete grasp of the subject material and provides a comprehensive analysis of the subject. He includes lots of quotes, interview, and other statistical data that helps support the claims he makes. The research O’Toole uses is logically placed in each section that he discusses. Because the article is divided into different topics it is easy to read and understand each point that O’Toole is making. It also makes understanding his overall conclusions easier.

 Evaluation of scope:

O’Toole goes into great depth in this article. His intensive background look at the early years of the Department of Transportation is really well supported. He is able to convey a lot of information on a wide variety of subjects throughout the article. However, he still maintains focus and continues to tie it back to the main theme of wasteful federal funding.

Evaluation of author bias:

O’Toole is clearly biased against federal funding of mass transit systems. His critical look at why this type of funding is bad is evidence of bias. This bias is also reflected in O’Toole’s suggestions on how transit systems can be fixed and wasteful spending can be eliminated. This bias does not make the source unusable, but only increases the discussion of the topics at hand.

**REFLECTION:**

This source has a lot of good information that will be helpful to my topic. I was really intrigued by O’Toole’s critical look at rail systems. I had never really considered a lot of the things he said, and I think I had false impressions of how European rail worked up until this point. The fact that automobile use is so widespread is something that will have to be addressed in my project. One way that SEPTA will be able to improve is through attracting auto-commuters to become mass transit commuters. However, this attraction will not come unless certain problems are fixed. After reading this article it remains to be seen if this really should include revamped rail cars. While I see the benefit of having them, I think O’Toole is essentially right when he points out the flaws with federal funding. Investing in these high cost systems is not beneficial for average transit rider. I think that infrastructure investments will be the best way to increase ridership, because once you have systems that get people where they are going faster the riders will come.